Message Text

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PAGE 01 TOKYO 09815 300826Z ACTION EA-09

INFO OCT-01 ISO-00 SP-02 USIA-06 AID-05 EB-07 NSC-05 EPG-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02 OPIC-03 LAB-04 SIL-01 DODE-00 PM-04 H-01 L-03 PA-01 PRS-01 ACDA-07 IO-13 AGRE-00 IGA-02 /110 W ------------------004853 300906Z /12

R 300800Z JUN 77
FM AMEMBASSY TOKYO
TO SECSTATE WASHDC 9054
INFO AMEMBASSY BANGKOK
AMEMBASSY JAKARTA
AMEMBASSY KUALA LUMPUR
AMEMBASSY MANILA
AMEMBASSY SINGAPORE

CONFIDENTIAL TOKYO 9815

E.O. 11652: GDS TAGS: ASEAN, ETRD, JA

SUBJECT: JAPANESE GOVERNMENT CONSIDERS ASEAN REQUEST FOR COMMODITY SUPPORT FUND

REF: TOKYO 8975

- 1. SUMMARY: JAPANESE GOVERNMENT IS CONSIDERING SUPPORT FUND FOR ASEAN EXPORT EARNINGS. END SUMMARY.
- 2. FONOFF (MIYAMOTO, FOREIGN MINISTRY ASIAN REGIONAL AFFAIRS DIVISION DEPUTY DIRECTOR) ACKNOWLEDGED JUNE 29 THAT IN RESPONSE TO AN ASEAN INITIATIVE THE JAPANESE GOVERNMENT NOW IS ACTIVELY CONSIDERING THE ESTABLISHMENT OF A FUND TO PROTECT ASEAN'S EXPORT EARNINGS. ASEAN REPRESENTATIVES HAVE MENTIONED A POSSIBLE TOTAL OF DOLS 300 MILLION FOR SUCH A FUND. AT THE MOMENT, HOWEVER, THE AMOUNT OF SUCH A FUND, THE PRODUCTS WHICH MIGHT BE COVERED, AND THE CONDITIONS UNDER WHICH THE FUND WOULD CONFIDENTIAL

CONFIDENTIAL

PAGE 02 TOKYO 09815 300826Z

MAKE GOOD EARNINGS SHORTFALLS, REMAIN IN AN INCONCLUSIVE STAGE OF DISCUSSION AMONG INTERESTED JAPANESE MINISTRIES. THE MINISTRY OF AGRICULTURE AND FORESTRY, MIYAMOTO SAID, IS OPPOSED TO SUCH A FUND. FOR THE JAPANESE GOVERNMENT TO GO AHEAD WITH SUCH AN ARRANGEMENT, HE CONTINUED, THE PRIME MINISTER WOULD HAVE TO MAKE A POLITICAL DECISION, IN ESSENCE OVERRIDING THE MINISTRY'S

OBJECTIONS. THE ECONOMIC AFFAIRS BUREAU OF THE FOREIGN MINISTRY, HE ADDED, IS COORDINATING JAPANESE GOVERNMENT DELIBERATIONS ON THE PROPOSED FUND.

- 3. MIYAMOTO ADDED THAT IN HIS VIEW A POLITICAL DECISION MIGHT BE REACHED TO GO AHEAD WITH THE FUND. IF THIS SHOULD OCCUR, HOWEVER, THE PRIME MINISTER WOULD PRESUMABLY MAKE AT KUALA LUMPUR ONLY A GENERAL ANNOUNCEMENT OF SUPPORT VOID OF NUMBERS OR OTHER PARTICULARS. THE PROPOSED ASEAN INDUSTRIAL PROJECTS MAY RECEIVE THE SAME TREATMENT (REFTEL). IN ANY EVENT, FUKUDA'S CONCRETE PROMISES, MIYAMOTO MAINTAINED, WILL BE COMPARATIVELY SMALL.
- 4. FUKUDA VISITS TO SEPARATE COUNTRIES FOLLOWING SUMMIT, MIYAMOTO SAID, HAVE BEEN SET TENTATIVELY AS FOLLOWS: ARRIVE RANGOON AUGUST 10, ARRIVE JAKARTA AUGUST 12 (SOME SLIGHT ADJUSTMENT MAY BE NECESSARY FOR INDONESIA SCHEDULE), ARRIVE SINGAPORE AUGUST 14, ARRIVE BANGKOK AUGUST 15, ARRIVE MANILA AUGUST 17 (ALL AFTERNOON ARRIVALS), RETURN TOKYO EVENING AUGUST 18.
- 5. DATE OF FUKUDA'S TRAVEL TO KUALA LUMPUR STILL UNDER NEGOTIATION. JAPANESE HOPE ARRIVAL LATER THAN SCHEDULED AUGUST 6 DATE WILL BE ACCEPTABLE IN VIEW PRIME MINISTER'S HEAVY SCHEDULE.

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PAGE 03 TOKYO 09815 300826Z

- 6. IN ADDITION TO MANY GOVERNMENT-TO-GOVERNMENT MEETINGS PREPARATORY TO SUMMIT, ABOUT TEN JAPANESE BUSINESS LEADERS NOW ARE REPORTED SCHEDULED VISIT JAKARTA BETWEEN JULY 17 AND JULY 20 TO CONFER WITH ASEAN COUNTERPARTS AT THIS YEARS' FOURTH ANNUAL "SOUTHEAST ASIAN AND JAPANESE BUSINESSMEN'S MEETING."
- 7. COMMENT: JAPANESE FUND FOR PROTECTION OF ASEAN EXPORT EARNINGS HAS BEEN PROPOSED BEFORE BUT RECENTLY THIS SCHEME HAD SEEMED DORMANT. FACT OF ITS BEING CURRENTLY CONSIDERED APPEARS REFLECT BOTH JAPANESE SENSE OF ASEAN PRESSURE TO PRODUCE SOME SUBSTANTIAL CONCESSION AND DIFFICULTY OF FINDING SUITABLE, PRACTICAL AND ADEQUATE OFFERING FOR PRESENTATION. DETAILS ON HOW JAPANESE OFFICIALDOM ENVISAGES PROPOSED FUND WILL BE PASSED ON AS THEY EMERGE.

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| | Margaret P. Grafeld | Declassified/Released | US Department of State | EO Systematic Review | 22 May 2009 |
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